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To: Julie Coleman Chief Counsel of Enforcement

2011 MAR 28 A 11: 15

Response Docket no. S-20780A-10-0518
in the matter of

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Scott Ryan Tischler (CRD# 3248953)
Jericho Capital Group
Jericho Oil and Gas LLC, a Delaware LLC
Lake Valley Petroleum LLC, a Delaware LLC

Arizona Corporation Commission

DOCKETED

MAR 28 2011

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1. Violation of A.R.S. SS 44-1841 (Offer and Sale of Unregistered Securities)

A. It is unlawful for any dealer to sell or purchase or offer to sell or buy any securities, or for any salesman to sell or offer for sale any securities within or from this state unless the dealer or salesman is registered as such pursuant to the provisions of article 9 of this chapter.

The respondent in questions falls under the exemption outlined under the securities act of 1933 for small business owners(Reg D). Both offerings the Jericho Oil and Gas LLC and the Lake Valley Petroleum LLC are registered with the SEC as Reg 506 exempt securities. Mr. Scott Ryan Tischler is an owner of 3 oil leases, 2 of which were specifically assigned to the Reg D 506 PPM Offerings.

44-1845. Exemption or special registration of certain securities and transactions by commission rule

A. The commission may by its rules, and subject to the terms and conditions prescribed in those rules, add any class of securities or transactions to the securities or transactions exempted as provided by sections 44-1843, 44-1843.01 and 44-1844, if it finds that registration of such securities under this chapter is not necessary in the public interest and for the protection of investors by reason of the special characteristics

of the securities or transactions, the small amount involved or the limited character of the offering.

B. The commission by its rules, and subject to the terms and conditions prescribed in those rules, may, if it finds that registration is not necessary for the public interest and for the protection of investors, exempt or provide special registration for the following transactions:

1. Any transactions, including resales, involving securities offered and sold in reliance on rule 504 of regulation D (17 Code of Federal Regulations section 230.504) or any other exemption under section 3 (b) or section 3(a)(11) of the securities act of 1933 or involving a small business issuer under the securities act of 1933 to accredited investors or to other investors meeting lesser net worth or suitability requirements established by the commission.

2. Any solicitations of interest in securities that may be offered and sold pursuant to this chapter.

C. Special registrations pursuant to this section may be exempt from any or all of the provisions of sections 44-1876, 44-1877, 44-1878 and 44-1921, or any rule adopted pursuant to those sections.

Also, not one dollar of investment capital was raised in either of the offerings in Arizona or any other state. The respondent had just finished the registration and was getting ready to look at offering the Reg D 506 to qualified purchasers.

The respondents in questions also hired the appropriate counsel who constructed, wrote and registered the Exempt offerings with the SEC.

The securities in questions clearing fall under an exempt status and were properly registered. Also no monies were raised.

2. Violation of A.R.S. SS 44-1841 (Transactions by Unregistered Dealers or Salesmen)

“It is unlawful for any dealer to sell or purchase or offer to sell or buy any securities, or for any salesman to sell or offer for sale any securities

within or from this state unless the dealer or salesman is registered as such pursuant to the provisions of article 9 of this chapter.”

Again the same response. This was an exempt security by the Arizona statute and the SEC statute. None of the respondents were acting as Unregistered dealers or salesmen since the security falls under and exemption and no one invested in any of the offerings.

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3. Violation of A.R.S. SS 44-1991(Fraud in Connection with the Offer or Sale of Securities)

The ACC is alleging that Mr. Tischler failed to Disclose the FINRA action and the Nevada Consent order to Offeree's and Investors.

Mr. Tischler hired experts (Bill Brannan Sr, Bill Brannan Jr, and Peter Long Esq.) to construct, write and register the offering. On page 26 of 60 of the offering there clearly is a disclosure section, where the necessary disclosures can be found.

"Disclosure In mid 2009, Scott Tischler and Heritage Capital were under an investigation by the state of Nevada for securities practices. Due to the investigation, on September 9, 2009, the state of Nevada issued a cease and desist order, prohibiting them from raising equity investment in the state. The cease and desist was dropped early part of 2010. All charges were dropped and it was agreed that Scott Tischler and Heritage will not raise money in Nevada for 2 Years. While neither party claimed or denied any allegations, the results of the investigation did not find any felony or misdemeanor acts and all the charges were dropped. "

Mr. Tischler followed the expert council and had did not construct the PPM's, rather had his experts construct the PPM's. He did not intentionally or unintentionally violate any of the Arizona Statutes.

After careful review it is clear the Mr. Tischler has followed the statutes and that the allegations are not substantiated, rather Mr. Tischler does fall under the Reg D exemption of Securities, he did register the exemption with the SEC, no monies have been raised and the disclosures were evident in

the PPM for the investors to read. Mr. Tischler wants to fully comply and is willing to comply with all state and federal laws.

The respondents feel they have complied with all state laws and do not see any violations as accused. Mr. Tischler is willing to take an action needed to rectify any claim if substantiated. Currently after extensive review, we feel that all laws have been followed accordingly and seek your understanding in our position.

Thank you for your time and consideration

A handwritten signature in black ink that reads "Scott Ryan Tischler". The signature is written in a cursive, flowing style.

Scott Ryan Tischler (CRD# 3248953)
Jericho Capital Group
Jericho Oil and Gas LLC, a Delaware LLC
Lake Valley Petroleum LLC, a Delaware LLC